

FY 2008-09 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SOUTH PARK COUNTY SANITATION DISTRICT

A. Program Description

This budget finances administration of a collection system and pumping stations which serve the South Park area. Raw sewage is transported to the City of Santa Rosa for treatment and disposal. Treatment and disposal are covered by an agreement between the two entities

B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 07-08 Adopted	FY 08-09 Requested	Percent Change	FY 07-08 Adopted	FY 08-09 Requested	Percent Change
Operations	\$3,871,308	\$2,908,380	(24.87%)	\$1,001,902	(\$94,897)	(109.47%)
Revenue Bonds	\$159,918	\$155,958	(2.48%)	(\$133,288)	(\$111,123)	(16.63%)
Construction	1,900,000	3,180,000	67.37%	790,875	1,132,000	43.13%
TOTAL:	\$5,931,226	\$6,244,338	5.28%	\$1,659,489	\$925,980	(44.20%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 06-07 Actual	FY 07-08 Budget Estimate	FY 07-08 Revised Estimate	FY 08-09 Projected	Change from FY 07-08 Budget Estimate
TOTAL ESDs	3,980	3,987	3,993	3,999	0.30%
TOTAL APNs	2,229	2,230	2,230	2,230	0.00%

E. Summary of Issues and Significant Change:

The requested rate per ESD for FY 08-09 annual service charges is \$748, representing a 3.0% increase from FY 07-08. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 07-08 budget. This revenue change is due to the rate increase.

The South Park CSD provides service to the South Park area using a gravity collection system and lift station at Todd Road. Wastewater from South Park CSD is treated and disposed of by the City of Santa Rosa at the Laguna Subregional Treatment Plant on Llano Road. In July of 1996, the City of Santa Rosa accepted responsibility for the operation and routine maintenance of the collection system.

An agreement for transfer of responsibility to the City of Santa Rosa of collection system operation and maintenance, and subsequent dissolution of the South Park CSD, was finalized in February of 1996 and amended. This agreement includes a provision that the South Park CSD will be dissolved and transferred to the City of Santa Rosa no later than June 30, 2011. The agreement also requires the South Park CSD to replace, s line, or repair 41,610 feet of the collection system and upgrade the Todd Road lift station before transfer of the South Park CSD to the City of Santa Rosa.

South Park CSD has or is planning to replace four sections of the collection system between FY 06-07 and FY 10 11. Projects identified include: Moorland Avenue Phase II and Biwana Drive. The collection system projects identified above, along with previously completed projects or projects currently underway, will fulfill South Park CSD's responsibilities as required in the dissolution agreement with the City of Santa Rosa. The South Park CSD issued \$3.1 million in revenue bonds in FY 00-01 to enable it to meet its capital replacement obligations along with the HVOC remediation costs explained below.

On December 22, 1998 the NCRWQCB released a draft Cleanup and Abatement Order (CAO) for halogenated volatile organic compounds (HVOCs) found in soil and groundwater in the vicinity of Sebastopol Road and West Avenue in the South Park CSD service area. The draft CAO specified that HVOCs found in the soil and groundwater are the result of the discharge of these chemicals from dry cleaning operations into the South Park CSD collection system. The draft CAO further specifies that the HVOCs subsequently leaked from the collection system to adjacent soil and groundwater. Potential costs for investigation, remediation, and legal work related to the draft CAO are substantial (\$2-10 million). In FY 99-00, South Park CSD received a \$500,000 loan from the County of Sonoma General Fund to assist in the first phase of the Plan of Action for HVOC Investigation and Mitigation which South Park CSD has repaid as of FY 04-05. The South Park CSD, County of Sonoma, and the NCRWQCB continue to work cooperatively to deal with this issue.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2008-09 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SOUTH PARK CSD - OPERATIONS

Section/Index No: 654103

Sub-Object No. and Title	Adopted 2007-08	Requested 2008-09	Difference	Percent Change
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REVENUES:

TAXES

1001 Flat Charges - CY	\$2,739,750	\$2,831,389	\$91,639	3.34%
1061 Flat Charges - PY	50,000	50,000	0	0.00%
1120 Penalties / Costs on Taxes	10,000	10,000	0	0.00%
Subtotal Taxes	\$2,799,750	\$2,891,389	\$91,639	3.27%

USE OF MONEY

1700 Interest on Pooled Cash	\$19,000	\$60,000	\$41,000	215.79%
Subtotal Use of Money	\$19,000	\$60,000	\$41,000	215.79%

CHARGES FOR SERVICES

3400 Sanitation Services	\$40,656	\$41,888	\$1,232	3.03%
Subtotal Charges for Services	\$40,656	\$41,888	\$1,232	3.03%

MISCELLANEOUS REVENUE

4115 Santa Rosa Rebate	\$10,000	\$10,000	\$0	0.00%
Subtotal Miscellaneous Revenue	\$10,000	\$10,000	\$0	0.00%

TOTAL REVENUES	\$2,869,406	\$3,003,277	\$133,871	4.67%
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EXPENDITURES:

SERVICES AND SUPPLIES

6522 District Services	\$40,000	\$0	(\$40,000)	(100.00%)
6523 District Operations	0	59,000	59,000	N/A
6540 Contract Services	361,636	423,758	62,122	17.18%
6570 Consultant Services	100,000	80,000	(20,000)	(20.00%)
6573 Administration Costs	23,700	25,000	1,300	5.49%
6610 Legal Services	15,000	15,000	0	0.00%
6629 Fiscal Accounting Services	34,000	34,000	0	0.00%
6630 Audit / Accounting Services	11,600	13,000	1,400	12.07%
7000 Special Departmental Expense	180,000	180,000	0	0.00%
7206 Equipment Usage Charge	1,000	1,000	0	0.00%
7320 Utilities	2,500	2,500	0	0.00%
Subtotal Services and Supplies	\$769,436	\$833,258	\$63,822	8.29%

Sub-Object No. and Title	Adopted 2007-08	Requested 2008-09	Difference	Percent Change
<u>OTHER CHARGES</u>				
7961 Sewer Capacity Rights	\$1,451,791	\$1,451,791	\$0	0.00%
7980 Depreciation	200,000	256,250	56,250	28.13%
<i>Subtotal Other Charges</i>	\$1,651,791	\$1,708,041	\$56,250	3.41%
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$1,350,081	\$267,081	(\$1,083,000)	(80.22%)
<i>Subtotal Other Financing Uses</i>	\$1,350,081	\$267,081	(\$1,083,000)	(80.22%)
<u>APPROPRIATIONS FOR CONT</u>				
9000 Approp for Contingencies	\$100,000	\$100,000	\$0	0.00%
<i>Subtotal Approp for Contingencies</i>	\$100,000	\$100,000	\$0	0.00%
TOTAL EXPENDITURES	\$3,871,308	\$2,908,380	(\$962,928)	(24.87%)
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,001,902	(\$94,897)	(\$1,096,799)	(109.47%)

FY 2008-09 BUDGET

CHARACTER JUSTIFICATION

Department - Division Sonoma County Water Agency - Sanitation

Section Title: South Park CSD - Operations

Character Title: Taxes

Character No.: 654103-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 07-08 budget. The rate will increase 3.0%, from \$726 to \$748.

ESDs times annual rate	3,943 x \$748	\$2,949,364
Less Estimated Delinquency Factor:	4%	(117,975)
		<hr/> \$2,831,389

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties/Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 654103-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$1,500,000
Projected Interest Rate	<hr/> 4.00%
Projected/Planned Interest on Pooled Cash	\$60,000

Character Title: Charges for Services

Character No.: 654103-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 08-09 ESDs, the District will experience an increase in revenue from invoiced entities.

ESDs x Annual Charge	56 x \$748	=	\$41,888
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Character Title: Miscellaneous Revenue

Character No.: 654103-40

4115 Santa Rosa Rebate

This account records the annual rebate received from the City of Santa Rosa in accordance with the City of Santa Rosa's Subregional Agreement. The rebate amount is the adjustment between projected and actual costs for operation and maintenance of the Subregional Wastewater System.

Character Title: Services and Supplies

Character No.: 654103-60

6522 District Services

No funds will be budgeted in this account for FY 08-09.

6523 District Operations

This account is used primarily to record staff time associated with maintaining the sanitation master user listing for the District, as well as management and administrative time associated with negotiating and administering agreements with the City.

6540 Contract Services

This account records the cost of collection system maintenance paid to the City of Santa Rosa.

6570 Consultant Services

This account will record the cost of required consultant services related to the HVOC issue. These costs are related to negotiations with the Regional Board and evaluating work done by other parties in order to protect the District's interest.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6629 Fiscal Accounting Services

This item records the direct charge for services provided by the Fiscal Services Section of the County Auditor Controller's Office for staff costs attributed to District's accounting.

6630 Audit / Accounting Service:

This account represents the cost of accounting and audit services provided by an outside certified public accounting service.

7000 Special Departmental Expense

These costs are for legal counsel to provide legal advice and assistance in advancing a regional solution to the Roseland Area HVOC plume investigation and remediation, as well as management and administrative time associated with the groundwater clean-up efforts.

7206 Equipment Usage Charges

This item is requested to provide funds for equipment usage.

7320 Utilities

This account records the cost of certain utility bills that the District is still obligated to pay

Character Title: Other Charges

Character No.: 654103-75

7961 Sewer Capacity Rights

South Park CSD participates with the cities of Santa Rosa, Rohnert Park, Cotati and Sebastopol in the Santa Rosa Subregional Sewage System. Santa Rosa provides the treatment for raw sewage for the other participating entities. This payment, required by agreement, is South Park's share (based on capacity needs) of the cost of operations and improvements to the subregional facilities and the bonds used to finance them. Prior to the annexation of the Roseland area of South Park by the City of Santa Rosa, the South Park CSD's sewer capacity charge was based on a capacity in the Subregional Wastewater Treatment Plant of 700,000 gallons per day.

7980 Depreciation

Generally Accepted Accounting Principles require that depreciation be expensed each year.

Character Title: Other Financing Uses

Character No.: 654103-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the 2000 Revenue Bond Fund necessary to satisfy the annual debt service payment on the bonds (\$267,081). The amount to be transferred is determined from the debt service schedule for the bonds.

Character Title: Appropriations for Contingencies

Character No.: 654103-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2008-09 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department Sonoma County Water Agency - Sanitation

Section: South Park CSD - Operations

Index No.: 654103

DESCRIPTION OF FUND ACTIVITY	Actual FY 06-07	Estimated FY 07-08	Requested FY 08-09
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)	\$2,783,016	\$1,880,853	\$1,348,062
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	3,010,900	2,932,691	3,003,277
Expenditures - (Decrease) retained earnings	(4,098,322)	(3,897,562)	(2,908,380)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	(1,087,422)	(964,871)	94,897
Adjustments to Reserves/Encumbrances:			
7980 Depreciation	185,260	250,556	256,250
Change in Encumbrances	-	181,524	-
Net Adjustment - Increase/(Decrease) to Retained Earnings	185,260	432,080	256,250
Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting	\$1,880,853	\$1,348,062	\$1,699,209
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$902,163)	(\$532,791)	\$351,147
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/06</u>	<u>7/1/07</u>	
Cash	\$2,812,563	\$1,867,584	
Other Receivables	154,726	194,793	
Vouchers Payable	(2,749)	-	
Encumbrances	(181,524)	(181,524)	
Total Beginning Retained Earnings	\$2,783,016	\$1,880,853	

FY 2008-09 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SOUTH PARK CSD - 2000 REVENUE BONDS
 Section/Index No: 654202

Sub-Object No. and Title	Adopted 2007-08	Requested 2008-09	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$26,125	\$0	(\$26,125)	(1.0)
Subtotal Use of Money	\$26,125	\$0	(\$26,125)	(1.0)
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$267,081	\$267,081	\$0	0.00%
Subtotal Other Financing Sources	\$267,081	\$267,081	\$0	0.00%
TOTAL REVENUES	\$293,206	\$267,081	(\$26,125)	(8.91%)
EXPENSES				
<u>SERVICES & SUPPLIES</u>				
6635 Fiscal Agent Fees	\$9,950	\$10,000	\$50	0.50%
6640 Debt Issuance Cost	4,376	4,376	0	0.00%
Subtotal Services & Supplies	\$14,326	\$14,376	\$50	0.35%
<u>OTHER CHARGES</u>				
7920 Interest	\$144,705	\$141,582	(\$3,123)	(2.16%)
7923 Discount / Bonds	887	0	(887)	(100.00%)
Subtotal Fixed Assets	\$145,592	\$141,582	(\$4,010)	(2.75%)
<u>OTHER FINANCING USES</u>				
8625 OT-Within SP Dists-BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Uses	\$0	\$0	\$0	N/A
<u>ADMIN CONTROL</u>				
9200 ENT - Principal	\$110,000	\$115,000	\$5,000	4.55%
9209 ENT - Principal Clearing	(110,000)	(115,000)	(5,000)	4.55%
Subtotal Admin Control	\$0	\$0	\$0	N/A
TOTAL EXPENSES	\$159,918	\$155,958	(\$3,960)	(2.48%)
TOTAL NET COST <i>(Expenses Minus Revenues)</i>	(\$133,288)	(\$111,123)	\$22,165	(16.63%)

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: South Park CSD - 2000 Revenue Bonds

Character Title: Use of Money

Character No.: 654202-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$0
Projected Interest Rate	<u>4.00%</u>
Projected/Planned Interest on Pooled Cash	\$0

Character Title: Other Financing Sources

Character No.: 654202-46

4625 OT - Within Sp District

This account will record the operating transfer from the Operations Fund necessary to meet the annual debt service requirements for the bonds.

Character Title: Services and Supplies

Character No.: 654202-60

6635 Fiscal Agent Fees

This account records the annual administrative fees from the trustee for the 2005 Revenue Bonds.

6640 Debt Issuance Costs

This account records the amortized costs associated with the issuance of the 2005 Revenue Bonds. This is an annual expense that will be recorded throughout the life of the bonds. Although this is a non-cash transaction, appropriations are necessary to record the expense.

Character Title: Other Charges

Character No.: 654202-75

7920 Interest

This account reflects the interest expense of the refunded 2005 Revenue Bonds. Interest Serial Bond range from 2.6% to 5.0%.

7923 Discount/Bonds

This account records the discount realized upon the issuance of the bonds. This will be an annual expense throughout the life of the bonds. Although this is a non-cash transaction, appropriations are required to record the expense. No funds will be budgeted for FY 08-09.

Character Title: Other Financing Uses

Character No.: 654202-86

8625 OT - Within Sp Dist

This account reflects the transfer of funds to the Construction Fund to finance the Capital Replacement Program. There is no planned transfer for FY 08-09.

9200 Ent - Principal

This account reflects the principal payment for the 2005 Revenue Bonds issued in early FY 05-06 to finance the Capital Replacement Program. Payments began in October 2006 and will continue until October 2026.

Original Issue	\$3,250,000
Total FY 05-06 through FY 06-07 Principal Payments:	(100,000)
FY 07-08 Principal Payment:	<u>(110,000)</u>
Outstanding Loan Amount	\$3,040,000

9219 Ent - Principal

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2008-09 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
Section: South Park CSD - 2000 Revenue Bonds
Index No.: 654202

DESCRIPTION OF FUND ACTIVITY	Actual FY 06-07	Estimated FY 07-08	Requested FY 08-09
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$635,169	\$689,438	\$714,426
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	310,096	271,193	267,081
Expenditures - (Decrease) retained earnings	(161,289)	(159,918)	(155,958)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	<u>148,807</u>	<u>111,275</u>	<u>111,123</u>
Adjustments to Reserves/Encumbrances:			
Amortization of Debt Issuance Costs	4,376	4,376	4,376
Amortization of Bond Refunding	14,337	14,337	14,337
Amortization of Bond Premium	(3,252)	-	-
9200 - Ent Principal	(100,000)	(110,000)	(115,000)
Increase in Matured Bonds Payable	(100,000)	5,000	-
Net Adjustment - Inc/(Dec) to Retained Earnings	<u>(184,539)</u>	<u>(86,287)</u>	<u>(96,287)</u>
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$599,438	\$714,426	\$729,262
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	(\$35,731)	\$24,988	\$14,836
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/06</u>	<u>7/1/07</u>	
Cash	\$91,220	\$119,816	
Cash with Trustee	776,574	811,597	
Cash Restricted for Debt Services	(99,005)	(99,005)	
Interest Payable	(33,620)	(32,970)	
Prepaid Expenses	-	-	
Matured Bonds Payable	(100,000)	(110,000)	
Total Beginning Retained Earnings	<u>\$635,169</u>	<u>\$689,438</u>	

FY 2008-09 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SOUTH PARK CSD - CONSTRUCTION

Section/Index No: 654301

Sub-Object No. and Title	Adopted 2007-08	Requested 2008-09	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$26,125	\$48,000	\$21,875	83.73%
Subtotal Use of Money	\$26,125	\$48,000	\$21,875	83.73%
<u>MISCELLANEOUS REVENUE</u>				
4303 State Grants	\$0	\$2,000,000	\$2,000,000	N/A
Subtotal Miscellaneous Revenue	\$0	\$2,000,000	\$2,000,000	100.00%
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$1,083,000	\$0	(\$1,083,000)	(100.00%)
Subtotal Other Financing Sources	\$1,083,000	\$0	(\$1,083,000)	(100.00%)
TOTAL REVENUES	\$1,109,125	\$2,048,000	\$938,875	84.65%
EXPENDITURES:				
<u>FIXED ASSETS</u>				
8510 Building / Improvement	\$0	\$0	\$0	N/A
9142 Capital Replacement Program	1,900,000	3,180,000	1,280,000	67.37%
Subtotal Fixed Assets	\$1,900,000	\$3,180,000	\$1,280,000	67.37%
TOTAL EXPENDITURES	\$1,900,000	\$3,180,000	\$1,280,000	67.37%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$790,875	\$1,132,000	\$341,125	(43.13%)

FY 2008-09 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: South Park CSD - Construction

Character Title: Use of Money **Character No.:** 654301-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$1,200,000
Projected Interest Rate	<u>4.00%</u>
Projected/Planned Interest on Pooled Cash	\$48,000

The fund balance remaining in the Construction Fund is expected to be reduced as a result of work required to be completed prior to dissolution of the District.

Character Title: Miscellaneous Revenue **Character No.:** 654301-40

4303 State Grants

A grant from CDC is anticipated for FY 08-09

Character Title: Other Financing Sources **Character No.:** 654301-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. No transfer will be budgtd for FY 08-09.

Character Title: Fixed Assets **Character No.:** 654301-85

8510 Buildings / Improvements

No further projects are planned for this District prior to the scheduled dissolution.

9142 Capital Replacement Program

Collection system replacement projects are planned for the following areas in FY 08-09:

	PCAS No.	Amount
Moorland Avenue Phase I	7095	\$180,000
This project will replace existing sewer along Moorland Ave., between West Robles Avenue and Todd Road. The current budget will fund contract administration		
Biwana Lane	7140	<u>3,000,000</u>
This project will replace the existing sewer along Biwana Lane. The current budget will fund a portion of design costs and construction costs.		
Total		<u><u>\$3,180,000</u></u>

FY 2008-09 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department Sonoma County Water Agency - Sanitation

Section: South Park CSD - Construction

Index No.: 654301

DESCRIPTION OF FUND ACTIVITY	Actual FY 06-07	Estimated FY 07-08	Requested FY 08-09
Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings			
Available for Budgeting (See Detailed Components Below)	\$631,248	\$3,562,850	\$2,954,312
Annual Revenues and Expenditures:			
Revenues - Increase retained earnings	3,236,129	1,291,462	2,048,000
Expenditures - (Decrease) retained earnings	(1,777,718)	(1,900,000)	(3,180,000)
Net Surplus or Deficit - Inc/(Dec) to retained earnings	1,458,411	(608,538)	(1,132,000)
Adjustments to Reserves/Encumbrances:			
Change in Encumbrance	1,609,867	-	-
Capitalized Interest	(136,676)	-	-
Post Audit Adjustment - Receivables	-	-	-
Net Adjustment - Inc/(Dec) to Retained Earnings	1,473,191	-	-
Undesignated/Unreserved <u>ENDING</u> Retained Earnings			
Available for Budgeting	\$3,562,851	\$2,954,312	\$1,822,312
Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)	\$2,931,603	(\$608,538)	(\$1,132,000)
<u>Retained Earnings Components at Beginning of FY</u>	<u>7/1/06</u>	<u>7/1/07</u>	
Cash	\$2,822,152	\$2,165,836	
Accounts Payable	(504,844)	-	
Retention Payable	(76,193)	-	
Encumbrances (P.O. and Contract)	(1,609,867)	1,397,014	
Other Receivables	-	-	
Total Beginning Retained Earnings	\$631,248	\$3,562,850	